

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO *et al.*,

Debtors.<sup>1</sup>

PROMESA Title III

No. 17 BK 3283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO HIGHWAYS AND  
TRANSPORTATION AUTHORITY,

Debtor.

PROMESA Title III

No. 17 BK 3567-LTS

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO POWER AUTHORITY,

Debtor.

PROMESA Title III

No. 17 BK 4780-LTS

<sup>1</sup> The Debtors in these Title III cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's Federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 04780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

**RESPONSE AND RESERVATION OF RIGHTS OF NATIONAL PUBLIC FINANCE  
GUARANTEE CORPORATION TO MOTION FOR ORDER CONCERNING RECEIPT  
AND USE OF ANTICIPATED FEDERAL DISASTER RELIEF FUNDS AND  
PRESERVING RIGHTS OF PARTIES**

To the Honorable Laura Taylor Swain:

In the wake of the widespread damage Hurricane Maria inflicted upon the residents of Puerto Rico, National Public Finance Guarantee Corporation (“National”) agrees that it is of utmost priority that federal disaster relief grants be disbursed to Puerto Rico. These grants will allow the central government and its instrumentalities to allow Puerto Rico to provide immediate aid to the millions of American citizens in Puerto Rico that require immediate assistance and aid, and enable the repair of water, sewage, electric power, and other infrastructure to restore normalcy for people living in Puerto Rico who no longer have access to these critical aspects of modern life.

National understands that FEMA has sought a “comfort order” to clarify that FEMA’s usual practice of disaster relief aid, and the requirements of the Stafford Act and its related regulations that require FEMA funds to be used only for specific purposes, is not affected by the existence of these Title III cases. The lawful receipt and use of federal aid, whether by Puerto Rico or by a Non-Federal Entity as a sub-recipient, should not enlarge or abridge creditors’ rights against the Debtors or the Debtors’ obligations to creditors. However, National is concerned that the provisions of paragraphs 6 and 7 of the proposed order are overly broad because the determination of creditors’ rights to adequate protection and the granting of superpriority administrative claims at this juncture are premature. The order should not provide for the enlargement or diminishment of any party’s rights, including National’s or the Movants’. National accepts the Movants’ invitation to engage in good faith negotiations in advance of the

hearing on the Motion to arrive at a fully consensual order. *See* Motion ¶ 32. National reserves its rights to review any revised proposed order.

**RESPECTFULLY SUBMITTED**, in San Juan, Puerto Rico, this 19th day of October, 2017.

**WE HEREBY CERTIFY** that on this same date a true and exact copy of this response was filed with the Clerk of Court using the CM/ECF system, which will notify a copy to counsel of record. Also, copy of this document will be notified via electronic mail to all case participants.

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